

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 530 - SB 985

February 25, 2013

SUMMARY OF BILL: Requires a pharmacist-generated prescription order to be presented before any pharmacy dispenses a product with an immediate methamphetamine precursor. Removes civil liability for any pharmacist who refuses to sell a product containing methamphetamine precursors, whether or not the purchaser's intent is to use such product unlawfully. Revises list of nonexempt products containing methamphetamine precursors. Removes the sales and use tax exemption on prescription drugs which are included on the list of nonexempt products containing methamphetamine precursors. Prohibits any individual or group plan of health insurance entered into, offered, or renewed on or after July 1, 2013, from providing coverage or payment for any product found on such nonexempt list.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Any increase in state and local sales tax revenue as a result of removing an exemption to the sales and use tax, for those drugs listed on the nonexempt precursor list, is estimated to be not significant.
- There will not be a sufficient number of prosecutions for state or local government to experience any significant increase in revenue or expenditures.
- Any rule-making and consequent disciplinary actions necessary for the Board of Pharmacy can be accommodated within existing resources.
- Pursuant to Tenn. Code Ann. 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. The Board of Pharmacy had closing balances of \$553,901 in FY10-11, \$85,209 in FY11-12, and a closing reserve balance of \$929,407 on June 30, 2012.
- Any regulatory costs incurred by the Department of Commerce and Insurance to ensure that individual and group health insurance plans are meeting the proposed requirement for nonpayment and coverage will not be significant and can be accommodated within existing resources.
- Prohibiting the coverage and payment of any product on the nonexempt list will not have a significant fiscal impact on any state or local government sponsored health plans.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jdb